

WASHINGTON, DC- Congressman Peter DeFazio (D-Springfield) voted for fiscal responsibility today by voting against the Senate amendment to H.R. 3996, the Temporary Tax Relief Act of 2007. This legislation was designed to temporarily fix the Alternative Minimum Tax (AMT) but the Senate amendment was fiscally irresponsible.

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Congressman DeFazio supports fixing the AMT. This tax, put into place to ensure that the wealthiest families did not escape paying taxes altogether, would have effected 23 million middle and upper income American families had the one year patch not been passed. However, legislation that does not adhere to the PAYGO rules drives the nation further into debt. PAYGO requires that all new spending and tax cuts be offset to prevent increasing the federal deficit. Unfortunately, President Bush and Senate Republicans insisted that we borrow the money for this single year of tax relief.

"Granting this tax cut and borrowing the money to pay for it means the United States will be \$52 billion more in debt, a mortgage of \$270 million a month for the next 30 years," DeFazio said. "That's what we're going to pass on to the next generation. That money could instead fund half the annual cost of Head Start or the full annual costs for veteran's mental health and substance abuse programs."

Congressman DeFazio has been a long time supporter of PAYGO rules. Without it, the Republican Congress ran up a record deficit of \$2.4 trillion in under seven years. Earlier in the month, DeFazio led several members of the Progressive Caucus on a letter to Speaker Pelosi and Majority Leader Hoyer urging the House of Representatives to abide by the pay-as-you-go (PAYGO) rules when patching the Alternative Minimum Tax (AMT). DeFazio was opposed to borrowing the money and instead wanted to pay for the AMT fix by eliminating tax loops holes exploited by large corporations and multi millionaire hedge funds managers.

"Why should someone who earns hundreds of millions of dollars a year pay an effective

tax rate that is half of that of an Army Captain in Iraq?” DeFazio said. “Large corporations and multi millionaire hedge fund managers should have to pay their fair share.”

Unfortunately, the House passed H.R. 3996 this afternoon without the tax offsets by a vote of 356 to 64. DeFazio was one of the 64 Democrats to stand up for fiscal responsibility.